

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Michael Kubayanda, Vice Chairman;
Mark Acton;
Ann C. Fisher; and
Ashley E. Poling

Competitive Product Prices
Global Plus 3 (MC2016-152)
Negotiated Service Agreements

Docket No. CP2017-258

ORDER APPROVING MODIFICATION SIX TO
GLOBAL PLUS 3 NEGOTIATED SERVICE AGREEMENT

(Issued January 23, 2020)

I. INTRODUCTION

The Postal Service seeks to modify a Global Plus 3 negotiated service agreement (Existing Agreement).¹ For the reasons discussed below, the Commission approves the Modification.

II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal.

¹ Notice of the United States Postal Service of Filing Modification Six to a Global Plus 3 Negotiated Service Agreement, January 22, 2020 (Notice). The modification is an attachment to the Notice (Modification).

Cost considerations. The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

The Modification revises the expiration date of the contract to February 29, 2020. Notice at 1.

The Modification does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as modified, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

Other considerations. If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

The Commission approves the Existing Agreement, as modified.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission approves the Global Plus 3 negotiated service agreement, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the revised expiration date, February 29, 2020.

By the Commission.

Ruth Ann Abrams
Acting Secretary